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H PASS TO MEMBERS OF CODEL

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TAGS: [PREL](#) [PTER](#) [PGOV](#) [KWBG](#) [IS](#) [IR](#) [IZ](#) [AF](#)
SUBJECT: CODEL MCCAIN MEETS PM OLMERT: IRAQ SITUATION,
CONTACTS WITH SYRIA, ENGAGEMENT WITH ABU MAZEN, IRAN
SANCTIONS, LEBANON WAR OUTCOME

REF: JERUSALEM 4987

Classified By: Charge d'Affaires Gene A. Cretz, Reason 1.4 (b) (d)

¶1. (C) Summary. CODEL McCain, made up of Senators John McCain, Joseph Lieberman, Susan Collins, John Thune, and Representative Mark Kirk, called on Prime Minister Ehud Olmert December 18. Charge and Pol Couns attended the meeting, as did Olmert's senior advisers and the MFA's Deputy Director General for North America. The CODEL briefed Olmert on their visit to Iraq and Afghanistan, with Senator McCain noting that the news was not good. Senator Lieberman said that he and Senator McCain were critical of the Iraq Study Group Report, adding that it should be seen as one of a number of recommendations. Senator Collins said she agreed with Senator Lieberman that the report's recommendations were not the answer, and the Israeli-Palestinian problem was not linked to Iraq. Olmert said the U.S. should not review the reasons it went into Iraq, but rather analyze the ramifications if it pulled out prematurely. He expressed appreciation for the CODEL's comments on the Iraq Study Group Report, and said it would damage U.S. interests if Israel were to engage Syria before Syria ceased its support for terrorism. Olmert expressed optimism about ongoing contacts with Abu Mazen, noting that he had ordered the IDF not to respond to continued Qassam rocket attacks in order to give Abu Mazen space to act. In response to the CODEL's reference to their meeting with Abu Mazen in Ramallah the day before (reftel), Olmert said his advisers were in touch with Abu Mazen's advisers about possibly releasing tax revenues in a way that supported Abu Mazen's goals. Olmert agreed with Senator Lieberman that Abu Mazen deserved support, including greater support from moderate Arab countries. On Iran, Olmert suggested that there were many options short of the use of force, including financial sanctions. Even if Iran did not itself use a nuclear weapon that it developed, a nuclear Iran would certainly proliferate nuclear weapons to Islamist terrorists. Olmert also said that Israeli intelligence was showing that Hizballah had been badly damaged by the war last summer. He commented that some European leaders, including Tony Blair and Angela Merkel, were not fooled by Iran and Syria and were prepared to work with the U.S. and Israel. End Summary.

News from Iraq and Afghanistan "Not Good"

¶2. (C) Senator McCain began the meeting by briefing the Prime Minister on the CODEL's visit to Iraq and Afghanistan. Senator McCain said he would like to say the news was good, but it was not. In Iraq, we were entering a period in which we would either end sectarian violence or the American people

would demand that we leave. Americans want to see success in Iraq but are frustrated by the situation. McCain said he supported sending more troops to stabilize Baghdad as the least bad of the available options. Prime Minister Maliki was weak, and President Talabani had said he was most frightened when he passed through police checkpoints. In Afghanistan, Senator McCain predicted a violent spring. American, British, Dutch and some other NATO forces were performing magnificently, but some of the others did not contribute much. The French had just announced they were withdrawing their Special Forces. The real threat to Afghanistan comes from its becoming a narcostate even more than a return of the Taliban. The Senator said he thought Pakistan's decision to establish a sanctuary in Waziristan was problematic. He described President Karzai as a good man, but corruption was a serious problem. Senator McCain praised President Bush's leadership, adding that the President would not waiver. There was a need, though, to help the President develop policies that would enable the U.S. to prevail over time, including increasing the size of the U.S. Army and Marine Corps. McCain noted that Israel had had a difficult time in Lebanon, but this was part of the overall regional situation.

13. (C) Senator Lieberman said the forces of freedom in the Middle East were arrayed against terrorism with Iran at its center. He added that he and Senator McCain were critical of the Iraq Study Group Report, noting that he thought the President was handling it well. It should be seen as one of a number of policy recommendations. Particularly the report's recommendations on engaging Iran and Syria, and its references to the Israeli-Palestinian conflict were nothing new. Senator Collins said she was struck by the extent to which radical Islam was threatening so many countries. She

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agreed with Senator Lieberman that the Iraq Study Group report was not the answer, and that the Israeli-Palestinian situation was not linked to Iraq. Senator Thune said the scenarios in Iraq and Afghanistan could have grave consequences. He noted that Abu Mazen had mentioned to the CODEL that he was looking forward to meeting Olmert.

Israel Supports the U.S.

14. (C) PM Olmert welcomed the CODEL, noting that while Israelis disagreed among themselves about many issues, they all loved and respected the U.S. Olmert said he thought Americans should not spend a lot of time reviewing the reasons for invading Iraq but rather focus on what to do now. He commented, however, that if Saddam were still in power, the regional situation would be even worse than it was now. The U.S. should analyze carefully the ramifications of a premature withdrawal from Iraq. If Shiite influence -- backed by Iran -- increased, what would be the impact on the Gulf states? If the U.S. decided that it was best to pull out sooner rather than later, Israel would support that decision, but it needed to be considered carefully and on a bi-partisan basis. Olmert said some consequences were already evident, such as the flight of one million Iraqis to Jordan.

Moving Forward with Palestinians

15. (C) Olmert stated that one good thing was that his office had established "serious contact" with Abu Mazen and they were "starting to move forward." Olmert said he was working quietly to establish the basis for a meeting with Abu Mazen at which they would announce "important steps." This could exacerbate the conflict with Hamas, but Israel would be ready to help if that happened. Olmert commented that he had visited the IDF command controlling the West Bank the day before and met with mid-ranking to senior officers. The officers were responsible for preventing terrorism and

killing terrorists, but they had advised Olmert to make every effort to improve life for Palestinians in the West Bank since this was the only way to ensure a better life for them and Israelis alike. Olmert said he told the officers that this was what he was trying to do. He added that about 40 Qassam rockets had been fired into Israel since the ceasefire was announced in Gaza, but he had instructed the IDF not to respond in order to give Abu Mazen the space to act. Olmert commented that he had even refrained from praising Abu Mazen's speech on early elections in order to avoid embarrassing him.

¶6. (C) Senator McCain said that Abu Mazen had told the CODEL that he wanted to meet the Prime Minister but first he needed money to pay his security forces. Iran had given about \$150 million to Hamas, but Fatah had received no money. The Senator said the CODEL would return to Washington and talk to their colleagues, so they needed to know Olmert's views on funding Abu Mazen. Apparently confusing Congressional financing with Israeli release of tax revenues, Olmert said his office was in contact with Abu Mazen's advisers about how to implement a transfer of funds so that the money "reached the right places." He assured the Senator that the issue would be resolved to Abu Mazen's satisfaction, confirming that he was referring to tax revenues. Olmert's adviser Yoram Turbowitz said that Abu Mazen also needed the equipment on the list prepared by General Dayton. Olmert commented that he did not think Israel would deny Abu Mazen "anything he needed." Senator McCain noted that a poll released that morning showed Abu Mazen slightly ahead, but he needed money to compete with Hamas.

¶7. (C) Senator Lieberman said the CODEL had the impression that Hamas was on the rise while Fatah needed to reform itself. He asked whether Olmert thought it was possible to reverse the trend, adding that Abu Mazen was probably the best alternative to Hamas. Olmert agreed, saying that no one else had a better chance under the present circumstances. Abu Mazen was starting to realize the seriousness of the challenge from Hamas, but he could not change Fatah overnight. There was a legacy of massive corruption in the Palestinian Authority and that could not be changed quickly. Olmert said the Palestinians would not have a real democracy soon; Abu Mazen was "no Thomas Jefferson," but we should work with him. If the moderate Arabs would line up behind a strategy of insisting that a Palestinian government support

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the Quartet principles it would help. The Saudis and others were angry at Iran and Syria and did not need Israeli concessions to the Palestinians in order to oppose Iran. There was a "new narrative" in the Gulf and Jordan, a new understanding that Israel was not the worst threat to them and could even be useful. If the Arabs would help strengthen Abu Mazen, he could move to confront Hamas.

Asad's Gestures Linked to Baker-Hamilton Report

¶8. (C) Noting that Hamas was sponsored by Syria, Olmert asked rhetorically why Asad was now making gestures toward opening a dialogue with Israel. Olmert said the timing meant Asad's move was linked to the release of the Iraq Study Group report. Asad wanted to bypass President Bush and go directly to Israel. What would be the impact, he asked, if Israel agreed to engage Syria? If Asad would stop sabotaging Lebanon and Iraq, and stop sponsoring terrorism against Israel, however, Olmert would agree to engage him. He assured the CODEL that Israel wanted peace with Syria. Senator Lieberman thanked Olmert for his position on engaging Syria, calling the Syrian overtures a trap. Asad had the blood of Hariri and Gemayel on his hands. The Senator said he appreciated Olmert's insights on the reasons for Israel not talking to Syria before Syrian policies changed.

Iran and Nuclear Proliferation

¶9. (C) Olmert complained that Iranian President Ahmadinejad was threatening to exterminate Israel and preparing the instruments to carry this out without the international community doing anything about it. The softer the sanctions on Iran now, the more difficult the choices we would face later. Olmert said he had just met with an Israeli Nobel laureate who had said he was not one hundred percent sure that Iran would use a nuclear bomb if it obtained one, but he was completely certain that a nuclear-armed Iran would result in Al Qaida and Hizballah obtaining a nuclear bomb sooner or later. If Iran obtained nuclear weapons, it would ensure nuclear proliferation throughout the Islamic world.

¶10. (C) Representative Kirk said it did not appear that a U.S. military strike against Iran was feasible given the situation in Iraq. Sanctions also did not look likely. He asked Olmert what other options were available. Olmert said there were many options between doing nothing and a military strike. Financial restrictions and banking controls would make life unpleasant for the Iranian business community. U.S. sanctions already in place send a signal. Noting that he would have a direct line to President Bush to discuss Iran options, Olmert suggested the CODEL not underestimate the significance of sanctions. If we do not think carefully about the options now, he said, the choice in the near future will be between giving up and launching a military strike that we do not want to carry out.

¶11. (C) Olmert noted that Israel and the U.S. had some partners in Europe, mentioning Angela Merkel, Tony Blair while he was still in power, and perhaps Nicolas Sarkozy if he won the French Presidential elections. These European leaders were not fooled by Iran and Syria and were prepared to work with Israel and the U.S. Olmert said he saw opportunities as well as difficulties in the strategic situation.

Lebanon War Results

¶12. (C) Senator Thune asked Olmert for his sense of the security situation in the north. How did he assess Hizballah's current capabilities? Olmert said the substance of UNSCR 1701 was good, although there were problems with its implementation. Hizballah was no longer deployed along the border with Israel and had lost its freedom of movement in southern Lebanon. Hizballah was not disarmed, but it was less of a threat. Hizballah's attempts to upset the political balance in Lebanon were due to its losses during the war. Olmert said he thought Hizballah had lost its appetite for fighting Israel. Israel had its share of failures and errors, he admitted. It should have developed its defensive systems better. But Hizballah had suffered a terrible blow and was now focused on rebuilding its forces rather than on confrontation.

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¶13. (U) CODEL McCain did not have the opportunity to clear this message.

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